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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGMI
MINERALS PROGRAM
FILE COPY

October 1, 1990

Mr. Richard Guarini
John Treiber Agency
300 Oak Street, CS 601
Garden City, New York 11530

Dear Mr. Guarini:

Re: **Request for Replacement Surety Bond Forms, Utah Portland Quarries, Little Mountain and Quarry Antone Mines, M/045/005 & M/045/021, Tooele County, Utah**

Pursuant to your August 21, 1990, telephone request, I am sending you two copies of our recently revised and Board approved (September 1990) surety bond forms, FORM MR-5 and Reclamation Contract Form, FORM MR-RC. You indicated that Lone Star Industries Inc. is interested in changing surety companies and will be providing replacement surety bonds for the Little Mountain and Quarry Antone mines.

Upon review of our files, I was able to confirm our receipt of reclamation surety bonds for these two mine sites under the name of Utah Portland Quarries. Please make note of this when filling out the new surety forms. If our current company/operator listing is incorrect, please advise us accordingly so we may make the necessary corrections to our files. The surety amounts are presently \$49,873 (M/045/005) and \$32,800 (M/045/021) respectively.

The Board of Oil, Gas and Mining has directed the Division to update all reclamation surety estimates to reflect current year dollars, whenever a surety is changed, a permit is transferred, or when a mining and reclamation plan is revised significantly. Therefore, we have updated the surety estimates for both mines to reflect the reclamation costs in 1990 dollars and escalated that figure five (5) years forward to 1995 dollars. The replacement sureties should be revised to reflect these 1995 dollar amounts. The reclamation surety amounts will be reevaluated by the Division in 1995 unless the operator revises the approved mining and reclamation plans, or transfers the permits before this date.

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The Board has also requested that whenever the Division receives a request to revise or replace a reclamation surety for a given mine project, a new Reclamation Contract, FORM MR-RC should also be completed by the operator. A minor revision was made to this form in May of 1990 and the Board has requested that all updates be made on the revised form when appropriate.

Thank you for your patience and cooperation in completing this permitting action. Please contact me directly if I can provide assistance in filling out the forms or answer any related questions in this regard.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg".

D. Wayne Hedberg
Permit Supervisor,
Minerals Regulatory Program

jb

enclosures

cc: Lowell Braxton

Pam Grubaugh-Littig

MNM045005.1

SURETY ESTIMATE UPDATE

Utah Portland Quarries

Little Mountain M/045/005 & Quarry Antone M/045/021

Tooele County, Utah

August 29, 1990

Prepared by Utah Division of Oil, Gas & Mining

Description

Little Mountain \$47,526 (1986)

Quarry Antone \$29,700 (1987)

Calculations

	<u>YR</u>	<u>%</u> <u>ESCAL</u>	<u>LITTLE</u> <u>MTN</u>	<u>QUARRY</u> <u>ANTONE</u>
$F = P(1 + i)^{**n}$	1986	0.0290	\$47,526	
	1987	0.0210	\$48,524	\$29,700
	1988	0.0195	\$49,470	\$30,279
	1989	0.0181	\$50,366	\$30,827
Three Yr Average = 1.84%	1990	0.0184	\$51,292	\$31,394
Used to Project 5 Yrs	1991	0.0184	\$52,236	\$31,972
Into the Future	1992	0.0184	\$53,197	\$32,560
	1993	0.0184	\$54,176	\$33,159
	1994	0.0184	\$55,173	\$33,770
	1995	0.0184	\$56,188	\$34,391

Updated Surety Amount Rounded (1995 \$)

Little Mountain M/045/005

\$56,200

Quarry Antone M/045/021

\$34,400